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National Energy Board / Office national de l'énergie

NewsRelease

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NEB APPROVES KEYSTONE PIPELINE PROJECT

CALGARY —The National Energy Board has approved the TransCanada Keystone Pipeline GP Ltd. application to construct and operate the Canadian portion of the Keystone pipeline project which would transport 435,000 barrels per day of crude oil.

The Keystone pipeline project is a crude oil line that would run from Alberta to markets in Illinois. The Canadian portion of the line would extend from Hardisty, Alberta to a point near Haskett, Manitoba. The project involves the acquisition and conversion of 864 kilometres (km) of existing gas pipeline to an oil transmission pipeline. Approximately 371 km of new pipeline would be constructed as part of the project, as well as the construction and operation of pump stations, tanks and other related works and activities. The estimated cost of the project is $664 million.

In making its decision, the Board was presented with evidence from intervenors on many issues including impacts to Aboriginal peoples and the impact of the project on domestic interests. Both the Alberta Federation of Labour and the Communications, Energy and Paperworkers Union of Canada presented evidence that the project would have negative consequences for domestic industries, employment and security of supply. Through examination of the evidence, the Board found that the project's benefits outweighed its burdens.

"The Board concludes that approval of the Project is in the public interest and that the applied for facilities will be required for the present and future public convenience and necessity," said the Board in the Reasons for Decision.

The Board held a technical conference during the hearing to obtain further information on and understanding of engineering matters such as construction, change in service, pipeline operations and integrity management systems. One of the issues brought forward at the conference was the conversion of TransCanada's Mainline (Line 100-1) from natural gas to oil transmission. The line runs 864 km from Burstall, Saskatchewan to Carman, Manitoba. The Board was interested in ensuring the safe operation of the pipeline and therefore has set conditions specifically related to Line 100-1.

The NEB is an independent federal agency that regulates parts of Canada's energy industry. Its purpose is to promote safety and security, environmental protection, and efficient energy infrastructure and markets in the Canadian public interest, within the mandate set by Parliament in the regulation of pipelines, energy development and trade.

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This news release and the Reasons for Decision are available on the Board's website at www.neb-one.gc.ca under *What's New*!

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